

Data Sheet

USAID Mission:	Uganda
Program Title:	Economic Development
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	617-007
Proposed FY 2004 Obligation:	\$19,222,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$15,183,000 DA
Year of Initial Obligation:	FY 2002
Year of Final Obligation:	FY 2007

Summary: USAID assistance to expand rural economic growth seeks to build and diversify Uganda's export base, increase commercial agricultural production, strengthen capacity in the private sector, expand access to business development and financial services, enhance the sustainable use of natural resources in order to generate income and protect critical ecosystems, and improve food security and the expansion of sustainable commercial production, where feasible, in conflict and post-conflict areas.

Inputs, Outputs, Activities:

FY 2004 Program:

Agricultural Production and Productivity (\$13,661,240 DA). USAID will seek to commercialize and expand the agricultural sector by increasing the productivity and marketing of food and cash crops in order to raise rural incomes. The activities will focus on key commodity and farming systems and address the transfer of technology, including the use of biotechnology, the establishment and strengthening of producer organizations, improvements in input distribution, and the development of competitive agricultural and rural enterprises. This will be accomplished by working at all levels of the value chain, from production through exports. Principal contractors and grantees: Chemonics International, Development Alternatives, Inc., and Land O' Lakes (all prime).

Increased Competitiveness (\$1,939,800 DA). USAID will provide technical assistance and training to help Uganda develop a strong trade policy and investment strategy and to strengthen private sector competitiveness in order to increase the volume and value of Ugandan exports. Activities will increase competitiveness, diversify exports, and expand Uganda's market share in key export sectors. Activities will also introduce appropriate technologies, including information and communication technology, and increase access to financial services for both agricultural and non-agricultural enterprises. These efforts will help create a more-business-friendly environment, which will attract foreign direct investment and encourage local private investment, as has been done with cut flowers, fisheries, and vanilla. Principal contractors and grantees: Chemonics International (prime) Development Alternatives, Inc. (prime), and a new implementing partner to be determined.

Improved Natural Resource Management (\$3,620,960 DA). Working with community-based and producer organizations, USAID will seek to commercialize targeted natural resource opportunities using a combination of conservation, environment management and enterprise development approaches. Focus will be on improvements in land management and the use of natural resources in Uganda's fragile and overpopulated southwestern and western districts. Farmers and resource users will be trained in a number of areas, such as soil conservation, land management, agro-forestry technologies and value added processing. Assistance will be provided to initiate and sustain income-generating activities, such as sustainable timber harvesting, specialty coffee production, dairy, cocoa, vanilla, and other non-traditional agricultural exports. Efforts in the southwestern region will be coordinated with trade development and ongoing agricultural commercialization activities to continue the expansion and diversification of Uganda's export base and to increase competitiveness. This will be accomplished by working at all levels of the commodity chain, from production through exports. Principal contractors and

grantees: Development Alternatives Inc.(prime), ECOTRUST (prime), African Wildlife Fund (prime), the International Center for Research on Agro-forestry (prime), and Africare (sub).

P.L. 480 assistance. Food aid, both directly distributed and monetized, will address the need for greater availability, access, and utilization of food at the household and community levels. Partners will work directly with 120,000 rural households to increase production of targeted food and cash crops for domestic consumption and sale on local and international markets. Additionally, over 60,000 people living with HIV/AIDS and their families will enjoy improved quality of life by receiving a monthly direct distribution package of corn-soy blend and vegetable oil. Prime grantees: Africare, ACDI/VOCA, Catholic Relief Services, Save the Children, and World Vision.

FY 2005 Program:

Agricultural Production and Productivity (\$9,776,000 DA). USAID will intensify efforts to strengthen existing agricultural enterprises and identify new enterprises in order to increase household income. An emphasis will be placed on producing high-value agricultural commodities and services that are competitive and have significant export potential. Principal contractors and grantees: Chemonics International, Development Alternatives, Inc., Land O' Lakes (all prime), and new partner to be determined.

Increased Competitiveness (\$1,800,000 DA). USAID will expand its efforts to develop agricultural export competitiveness in sectors such as coffee, vanilla, fisheries, and cut flowers, in order to help address Uganda's need for job creation and income growth. Principal contractors and grantees: Chemonics International (prime), Development Alternatives, Inc. (prime), and other partners yet to be determined.

Improved Natural Resource Management (\$3,607,000 DA). Efforts will be expanded to identify new income-generating opportunities and enterprises to increase household income and foster resource conservation. Technical assistance will be provided to reduce production costs and improve marketing techniques of producer organizations. Principal contractors and grantees: Development Alternatives Inc. (prime), and the International Center for Research on Agro-forestry (prime).

Working with the same Cooperating Sponsors as in FY 2004, the P.L. 480 Title II program will continue to focus on the rural poor and northern Uganda.

Performance and Results: Key results in FY 2003, attributable in part to USAID funding, include: a 39% increase over the past year in the volume and a 58% increase in the value of non-traditional agricultural exports, such as cut flowers, oils and spices, horticultural produce, vanilla and cocoa; an increase of 5.6 million liters in domestic sales of processed milk and other dairy products; and the provision of food aid to 61,400 food insecure people affected by HIV/AIDS. Significant progress has been made in expanding the financial resources available to small and medium enterprises (SMEs) through strengthening nine microfinance institutions, expanding guaranteed loan funds through seven commercial banks. Over the past year, loans to SMEs increased by 154% to \$21.5 million and the number of USAID-supported rural microfinance and bank clients increased from 402,899 to 477,034 clients. Microenterprise savings increased by 112%, from \$5.2 million to a total of \$11 million. Over 430 on-farm trials and nurseries were established as research and extension sites. Some 1,500 farmers have been trained in the use of improved agroforestry technology. In addition, model integrated watersheds are being implemented, and approximately 97,000 tree seedlings were distributed. P.L. 480 Title II assistance helped to produce 266,279 metric tons of basic food crops.

Over the life of the rural sector growth program, USAID will facilitate the creation of nearly 500,000 jobs in 200,000 micro-enterprises and 2,500 small-to-medium enterprises, and the generation of a 25% increase in beneficiary household income. USAID's activities will assist an estimated one million farmers in making their small farms commercial and profitable, as well as make measurable contributions to the conservation of natural resource assets.

US Financing in Thousands of Dollars

Uganda

	DA	DCA
617-007 Economic Development		
Through September 30, 2002		
Obligations	15,509	975
Expenditures	0	0
Unliquidated	15,509	975
Fiscal Year 2003		
Obligations	16,390	0
Expenditures	5,554	405
Through September 30, 2003		
Obligations	31,899	975
Expenditures	5,554	405
Unliquidated	26,345	570
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2004 NOA		
Obligations	19,222	0
Total Planned Fiscal Year 2004		
Obligations	19,222	0
Proposed Fiscal Year 2005 NOA		
Obligations	15,183	0
Future Obligations	15,183	0
Est. Total Cost	81,487	975